

ADOPTED

APRIL 19, 1990

MEMORANDUM

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: THOMAS O'MALLEY, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT

SUBJECT: REQUEST AUTHORIZATION TO ENTER INTO A CONTRACT, IN AN
AMOUNT NOT TO EXCEED \$50,000, WITH LOCAL 26 OF THE
HOTEL EMPLOYEES AND RESTAURANT EMPLOYEES INTERNATIONAL
UNION TO SUPPORT THE NON-PROFIT UNION NEIGHBORHOOD
ASSISTANCE CORPORATION

SUMMARY: THIS MEMORANDUM REQUESTS AUTHORIZATION FOR THE DIRECTOR
TO RENEW A PREVIOUSLY-AUTHORIZED CONTRACT, IN AN AMOUNT
NOT TO EXCEED \$50,000, WITH THE UNION NEIGHBORHOOD
ASSISTANCE CORPORATION, A NON-PROFIT ENTITY CREATED BY
LOCAL 26 OF THE HOTEL AND RESTAURANT EMPLOYEES
INTERNATIONAL UNION TO DEVELOP AFFORDABLE HOUSING AND
PROVIDE CONSUMER-ORIENTED SERVICES TO HELP LOW- AND
MODERATE-INCOME RESIDENTS, INCLUDING UNION MEMBERS;
GAIN ACCESS TO AFFORDABLE HOUSING. OF THE \$50,000
AMOUNT, NO MORE THAN \$25,000 WILL BE DISBURSED IN
THE SECOND HALF OF FISCAL YEAR 1990 AND NO MORE THAN
\$25,000 WILL BE DISBURSED IN THE FIRST HALF OF FISCAL
YEAR 1991.

Local 26 of the Hotel Employees and Restaurant Employees
International Union ("Local 26") represents some 5000 hotel and
restaurant employees in the Greater Boston area. According to
Local 26, the median family income for hotel workers is
approximately \$22,000, a figure which includes families with
multiple wage-earners. More than 90 percent of union members are
tenants, and a recent membership survey indicated that 75 percent
of respondents have "housing problems" including overcrowding,
substandard conditions and a high rent-to-income ratio.

For several years, Local 26 has sought to help its members deal
with increasingly common housing problems. In 1988, Local 26 won
a collective bargaining contract that included creation of a
"housing trust fund" under which employers will contribute to
union-sponsored efforts to provide various forms of housing
assistance to members. This initiative will have cleared its
final hurdle with the expected approval of federal legislation to
amend the Taft-Hartley Act to allow funds won through collective
bargaining to be dedicated to housing-related activities. The
proposed Taft-Hartley amendment, supported by a broad coalition
that includes Senator Edward M. Kennedy and President George
Bush, is said to have sufficient support to be approved within
the next several weeks.

Local 26 has created a non-profit entity called the Union Neighborhood Assistance Corporation ("UNAC") to implement its housing program. UNAC will both work to develop affordable housing and offer consumer assistance to members.

On April 6, 1989, the Boston Redevelopment Authority (BRA) authorized the Director to enter into a contract with Local 26 to provide start-up and operating funds for UNAC. Of the \$50,000 authorized by the BRA, \$25,000 was earmarked for start-up costs, and \$25,000 was made available to assist with operating costs upon demonstration of substantial progress toward UNAC's goals and objectives. The approved BRA disbursement to UNAC was matched with a \$50,000 contribution by the Hotel Employees and Restaurant Employees International Union.

During its first year of operations, UNAC focused on providing consumer assistance and expertise to union members and their families. Such assistance has included counseling, education and referral services, and workshops regarding home financing, credit counseling and available subsidy programs.

UNAC is now looking to expand its work to include housing development -- a task that will be made somewhat easier upon passage of the Taft-Hartley Act amendment that will allow access to the housing trust fund established by the 1988 union contract negotiations. UNAC plans to assemble development proposals for vacant land and buildings in a variety of Boston neighborhoods, and they are seeking funds from various sources to allow for the development of such proposals and, ultimately, the construction of much-needed affordable housing for local union members and their families.

Once again, the Hotel Employees and Restaurant Employees International Union has made a contribution of \$50,000 to support UNAC's work over the next year. It is recommended that the BRA renew its support for UNAC by renewing the contract executed on April 6, 1989, using similar terms and conditions.

An appropriate vote follows:

VOTED: That the Director is hereby authorized to enter into a contract, not to exceed \$50,000, with Local 26 of the Hotel Employees and Restaurant Employees International Union and the Union Neighborhood Assistance Corporation (UNAC), to provide operating funds for UNAC's work in assisting low- and moderate-income households secure housing and developing housing for such households, said contract to include any provisions the Director deems in the best interests of the BRA including a provision that of the \$50,000 amount, no more than \$25,000 be disbursed in the final six months of Fiscal Year 1990 and no more than \$25,000 be disbursed in the first six months of Fiscal Year 1991.

**DRAFT FOR
DISCUSSION ONLY**

CONTRACT
BY AND BETWEEN
BOSTON REDEVELOPMENT AUTHORITY
AND
LOCAL 26 OF THE HOTEL EMPLOYEES
RESTAURANT EMPLOYEES INTERNATIONAL UNION/UNAC

This Agreement made this _____ day of _____ 1990 by and between the Boston Redevelopment Authority, a public body politic and corporate, organized and existing pursuant to the provisions of Chapter 121B, as amended of the General Laws of the Commonwealth of Massachusetts (hereinafter called the "Authority") and Local 26 of the Hotel Employees Restaurant Employees International, an organization d/b/a/ 58 Berkeley Street, Boston, Massachusetts, (hereinafter called the Contractor.

WITNESSETH THAT:

WHEREAS, the Contractor has created a non-profit entity to engage in the development of affordable housing and provide consumer-oriented services to assist low and moderate income residents gain access to affordable housing; and

WHEREAS, the Authority desires to promote such foregoing services and objectives;

NOW, THEREFORE, the parties do mutually agree as follows:

1. SCOPE OF SERVICES

The Contractor, in keeping with the above objectives, shall perform the following services:

Continue to support the established non-profit organization to be known as Union Neighborhood Assistance Corporation (UNAC). This non-profit entity shall provide the following services hereunder for low income and moderate income city residents, including union members.

A. Housing Development

Prepare a development proposal for construction of affordable housing in Boston utilizing a variety of private resources including certain pension and insurance funds.

B. Consumer Assistance Program

Provide consumer assistance services to union members and others in finding affordable housing. Such services shall include, but not be

limited to, counseling, education and referral services. UNAC shall hold workshops and classes regarding home financing, types of housing subsidies and how to apply for them, credit counseling and similar efforts. Such services shall be conducted in several languages to accommodate the various attendees.

2. COMPENSATION

The Authority agrees to provide funding to Contractor in an amount not to exceed Fifty Thousand Dollars (\$50,000) for fiscal years 1990 and 1991.

3. METHOD OF PAYMENT

The Contractor shall provide a financial statement with appropriate documentation acceptable to the Authority detailing its disbursements and incurred expenses associated with funds provided under this Agreement. Upon receipt and acceptance of such documentation, the Authority shall fund UNAC's operations for a maximum amount of \$25,000 for the final six months of fiscal year 1990, and for a maximum amount of \$25,000 for the first six months of fiscal year 1991.

Such sum for fiscal year 1990 shall be disbursed in the following manner:

- A. An initial amount of \$12,500, including any amounts remaining from earlier advance for expenses for initial six months of fiscal year 1990.
- B. Second quarterly payment thereafter of \$12,500 based on submission and acceptance of progress reports and financial reports detailing use of Contractor funds.

Such sum for fiscal year 1991 shall be disbursed in the following manner:

- A. An initial amount of \$12,500 including any amounts remaining from an earlier advance for expenses for the final six months of fiscal year 1991.
- B. Second quarterly payment thereafter of \$12,500 based on submission and acceptance of progress reports detailing use of contractor funds.

Any funds remaining unexpended at end of this agreement whether held by the Authority or Contractor shall revert to the Authority.

4. DISCLAIMER OF AGENCY

It is understood and agreed that neither the Contractor, nor any personnel engaged under this Agreement are employees, or agents of the Authority.

5. CONSTRUCTION OF AGREEMENT

- A. The terms and provisions of this Agreement shall not abrogate nor conflict with the responsibilities of the Authority as established by State and Federal Law.

- B. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts.

6. BOOKS AND RECORDS

The Contractor shall keep and maintain, and shall give access to the Authority and its representatives, at all reasonable times, to inspect, copy, audit, and examine all books, records, accounts, and other documents relating to UNAC's operations, including those relating to the expenditure of contractual funds received hereunder.

7. DISCLAIMER OF RELATIONSHIPS

The Contractor acknowledges that nothing contained in this Agreement, nor any act of the Authority or the Contractor shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, or joint venture, or any association or relationship involving the Authority.

8. ASSIGNMENT

The Contractor shall not assign or in any way transfer its interest or rights in this Agreement without the prior consent of the Authority.

9. SEVERABILITY

Each and every covenant and agreement contained in this Agreement is and shall be constructed to be a separate and independent covenant and agreement. If any term or provision of the Agreement or the application thereof to any person or circumstances shall to any extent be invalid and unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the full extent permitted by law.

10. AMENDMENT

This Agreement may be amended only by a document in writing executed by the Authority and the Contractor.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement in three counterparts to be duly executed under seal as of the date first above written.

ATTEST

BOSTON REDEVELOPMENT AUTHORITY

BY _____
Stephen Coyle, Director

LOCAL 26 OF HOTEL EMPLOYEES
RESTAURANT EMPLOYEES

BY _____
Domenic Bozzotto
President/Business Manager

APPROVED TO FORM:

Chief General Counsel
Boston Redevelopment Authority

EXHIBIT A

FISCAL YEAR 1989 BUDGET

<u>Salaries and Consultant Payments</u>	\$21,000
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Director

Development Director

Membership Service Coordinator

Counselors

Support Staff

Financial Specialist

<u>Payroll Taxes, Fica</u>	2,500
<u>Personnel Benefits</u>	

<u>Accounting, Bookkeeping,</u>	800
<u>Legal Expenses</u>	

<u>Office Expenses</u>	700
	<u>\$25,000</u>

